



STATE OF DELAWARE

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MEMORANDUM

TO: The Chair and Commissioners

FROM: Lisa B. Driggins, Public Utilities Analyst

DATE: June 18, 2015

SUBJECT: IN THE MATTER OF THE APPLICATION OF TIDEWATER ENVIRONMENTAL SERVICES, INC., FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE WASTEWATER SERVICES TO SIX PARCELS OF LAND TO BE DEVELOPED AS "CAPTAINS RUN," LOCATED BETWEEN BEACH AND REYNOLDS POND ROADS, EAST OF ELLENDALE, SUSSEX COUNTY, DELAWARE (FILED JUNE 29, 2005)
PSC DOCKET NO. 05-WW-019 "CAPTAINS RUN"

IN THE MATTER OF THE APPLICATION OF TIDEWATER ENVIRONMENTAL SERVICES, INC. TO ABANDON UNDER 26 DEL. C. § 203A(d) WASTEWATER SERVICES PROVIDED UNDER A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR ONE PARCEL IN THE COMMUNITY OF CAPTAINS RUN IN SUSSEX COUNTY, DELAWARE (FILED OCTOBER 27, 2014; AMENDED DECEMBER 16, 2014; AMENDED JUNE 10, 2015; AMENDED JUNE 18, 2015)
PSC DOCKET NO. 14-0507

Tidewater Environmental Services, Inc. (TESI" or "Company") is a utility providing wastewater services for public use that is subject to the regulatory jurisdiction of this Commission. On October 11, 2005, the Commission granted via Order No. 6733 TESI's application for a Certificate of Public Convenience and Necessity ("CPCN") for wastewater services for six parcels of land specifically identified as the community of Captains Run. On October 27, 2014, TESI filed an application ("Application") with the Commission seeking to partially abandon or discontinue its CPCN for wastewater operations or services by removing one of the parcels of land from its CPCN, specifically Sussex County Tax Map Parcel Number 235-13.00-2.00 (the "Parcel"). If the Commission grants the Application, TESI will still have a CPCN for all of the other parcels that are within the existing CPCN.

On December 16, 2014, June 10, 2015 and June 18, 2015, the Commission Staff (“Staff”) received additional required information confirming the person who signed was an authorized person to signed documents on behalf of the owner of the Parcel, and such documents show that the owner asked TESI to remove the Parcel from its CPCN.

Delaware law provides that no public utility shall abandon or discontinue, in whole or in part, any regulated public utility business, operations or services provided under a certificate of public convenience and necessity without first having received Commission approval for such abandonment or discontinuance. 26 *Del. C.* §203A(d)(1). Such applications must be made to the Commission in writing, verified by oath or affirmation, and be in such form and contain such information as the Commission may from time to time require. 26 *Del. C.* §203A(d)(2). Finally, the Commission must approve any such application when it finds that the utility has met its burden of proving that the abandonment or discontinuance is reasonable, necessary and not unduly disruptive to the present or future public convenience and necessity. 26 *Del. C.* §203A(d)(3).

Staff reviewed the Application for abandonment and found it complies with all Delaware statutory and regulatory requirements. The Company provided a verified application that requests to abandon a portion of the CPCN which relates to wastewater services for the Parcel. Staff believes the abandonment is reasonable because TESI does not currently supply wastewater services to the Parcel. The abandonment is necessary because the owner of the Parcel requested verbally and in writing that TESI remove such Parcel from TESI's CPCN service area. Finally, the abandonment will not be unduly disruptive to the present convenience and necessity because no existing TESI customers are located on this Parcel. In addition, TESI has asserted that the owner of this Parcel intends to seek wastewater services from another public utility. Hence, if the Commission grants the Application's request, the abandonment would not be unduly disruptive to the future convenience and necessity because future customers would not be impeded (in general) from receiving wastewater services from another public utility.

For these reasons, Staff recommends that the Commission grant TESI's request to partially abandon its CPCN.